

Intact Airlines *AC*

Review Staff: 75/2962/a

Date 17 September 1975

TO : CIA Task Force
FROM : The Review Staff, Walter Elder
SUBJECT : SSC/HSC Request
RECEIVED: Date _____ Time _____

We plan to raise the attached request about relations with IRS at the working group meeting on 17 September 1975.

Comments:

	Action	Info
SC/DCI		X
A/DBA		X
A/DDI		X
A/DDO		X
A/DDS&T		X
OGC		X
OLC		X
IG		X

PHILIP A. HART, MICH.
WALTER F. MONDLE, MINN.
WALTER D. HUDDLESTON, KY.
ROBERT MORGAN, N.C.
GARY HART, COLO.

HOWARD H. BAKER, JR., TENN.
BARRY GOLDWATER, ARIZ.
CHARLES MCC. MATHIAS, JR., MD.
RICHARD S. SCHWEIKER, PA.

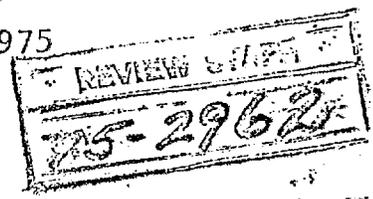
WILLIAM G. MILLER, STAFF DIRECTOR
FREDERICK A. O. SCHWARTZ, JR., CHIEF COUNSEL
CURTIS R. SMOTHERS, MINORITY COUNSEL

United States Senate

SELECT COMMITTEE TO
STUDY GOVERNMENTAL OPERATIONS WITH
RESPECT TO INTELLIGENCE ACTIVITIES
(PURSUANT TO S. RES. 21, 91TH CONGRESS)

WASHINGTON, D.C. 20510

15 September 1975



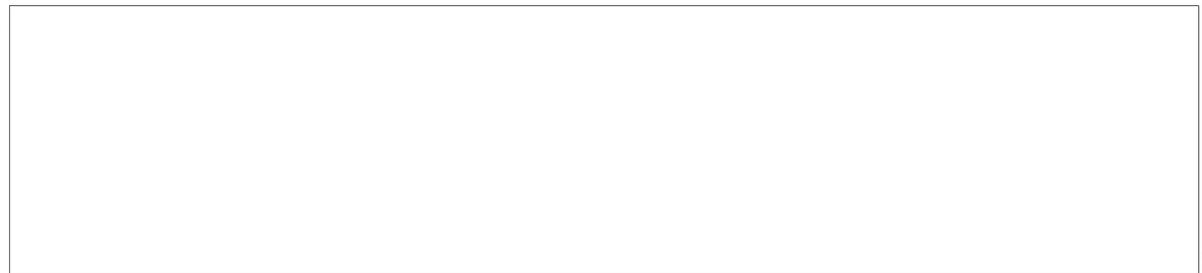
Mr. Walter Elder
The Central Intelligence Agency
Washington, D.C.

Dear Walt:

Please authorize the IRS to release and review with the Senate Select Committee staff the following:

1. Any documents or materials that describe or authorize the arrangement between the IRS and the CIA as to how audits or review by IRS of CIA proprietaries, cover corporations or other covert operations that would be subject to taxation are handled;

2. The audit or other materials involving:



3. Any other material that would illuminate the relationship between the IRS and the CIA. In particular, we request the names of any and all IRS personnel that the CIA works with, or serve in a liaison capacity between the IRS and the CIA.

Sincerely,

William Miller
Staff Director

SEP 16 12 08 PM '75

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8. [redacted] FOIA Mr. Scheer, in the office of Representative Hamilton Fish, Jr. (R., N. Y.), called to inquire as to the procedures a constituent should follow to appeal a decision of the Agency concerning his request under FOIA. I told him that the constituent should write to the Agency and seek an appeal to the Information Review Committee.

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9. [redacted] FOIA Fred Woods, in the office of Representative Paul E. Tsongas (D., Mass.), called inquiring as to the status of the FOI request of [redacted] After checking with Mr. Katulski, IRS, I called Woods back and informed him that the review had been completed and a final reply would be mailed to the [redacted] tomorrow.

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10. [redacted] Called Elizabeth Naumoff, Personal Secretary to Representative James G. Martin (R., N. C.), and informed her that we have received two letters from Representative Martin dated 1 August and 13 August 1975 concerning the FOI request of the same constituent. She said that she would correct her records and no acknowledgement was necessary on the latter letter.

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11. [redacted] LIAISON Cindy Szady, in the office of Representative Lucien Nedzi, called and asked if we had a transcript of Mr. Colby's appearance on the Martin Agronsky show last night. I got a copy from Mr. Thuermer's office and sent it to Mr. Nedzi this afternoon.

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12. [redacted] LIAISON Per Mr. Miller's instructions, called Frank Buigi, GAO, and gave him the status of his request for documents from the Presidential Libraries of Presidents Kennedy and Johnson.

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13. [redacted] CONSTITUENT In the absence of [redacted] took a call from Joe Carter, Administrative Assistant to Representative Ted Risenhoover (D., Okla.), and asked him if he could give me the name of the constituent interested in Air America. Mr. Carter provided me with the name of [redacted] Carter asked if someone from the Agency could call him back and fill him in on the details of Air America. [redacted] was advised of the above information.

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[Redacted]

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14. [Redacted] THIRD AGENCY At the request of the Director's office, I LDX'd two charts to [Redacted] DIA, for Secretary James Schlesinger. These charts were used at the Joint Economic Committee briefing by the Director in June and had to do with the comparison of U. S. and Soviet expenditures.

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15. [Redacted] FAA Mr. Pat Holt, Staff Director, Senate Foreign Relations Committee, called and said he had passed the information to Chairman John Sparkman which [Redacted] discussed with Holt this morning. I asked if the Chairman had any reaction and Holt said "he approved."

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16. [Redacted] LIAISON At the request of George Cary, called Frank Slatinshek (Chief Counsel, House Armed Services Committee), Ralph Preston (House Appropriations Committee), and Edward Braswell (Chief Counsel, Senate Armed Services Committee) and referred to an earlier briefing by Mr. Cary on the Olsen case. I noted that there were follow-up developments which led to the discovery of quantities of drugs stored in one of the Agency buildings and reminded them that Mr. Cary had also told them about it. Only Mr. Braswell remembered the latter. In any event, I said I wanted to alert them that the Senate Select Committee is looking into this business and that there might be a press leak today about the discovery of the quantity of drugs in our building. They all appreciated the alert.

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17. [Redacted] LIAISON Took a call from David Vienna, on the staff of the Senate Government Operations Permanent Subcommittee on Investigations, who thought it strange that [Redacted] only worked a month for CAT in Saigon and wondered whether he had left the job for one of our proprietaries. I said I did not think so because he went to join a firm named Paramount Corporation. Vienna said he was familiar with that name. He wanted more information about [Redacted] employment and I suggested that he contact Air America because they would have all of his employment records. He then asked if the Agency, directly or through its proprietaries, have ever bought an interest in American Express. He said that in the 1960's American Express paid up a judgment of \$150 million and there was some thought that some Government agency might have been of assistance in their paying up the judgment. I said I would check but there must be some end to this investigation of Agency involvement in counterfeiting of U.S. currency.

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18.

[REDACTED] INTELLIGENCE BRIEFING Accompanied

[REDACTED] OCL, to brief Senator Lawton Chiles (D., Fla.) on Panama.

The Senator's main interest was the Panama Canal negotiations and the fall-out in Panama should the U. S. Government not negotiate a new canal treaty. His questions covered internal and external relations due to postponing a new treaty. Present at the briefing was a staff member, Colin Bradford.

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[REDACTED] LIAISON Took a Call from Clyde Carter,

Air America, who said he had been approached by David Vienna, staff of the Senate Government Operations Permanent Subcommittee on Investigations, asking rather general questions about Air America/CAT organization and personnel in Vietnam. Carter said he had rebuffed the inquiry by indicating that Vienna should stay in channels. I said that Vienna only wanted to obtain the employment records of a [REDACTED] and that I would call Vienna and try to straighten the matter out. 25X1

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20.

[REDACTED] FAA Met with Pat Holt, Staff Director, Senate Foreign Relations Committee, and identified the country of the 10 August 1975 Presidential Finding for further review with Chairman John Sparkman (D., Ala.).

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[REDACTED] FAA Met with Chairman Lucien Nedzi, Special Subcommittee on Intelligence, House Armed Services Committee, and identified the country of the 10 August 1975 Presidential Finding.

I also reviewed with the Chairman the possible exposure of a cover placement in a private party's response to a query made by a member of the Subcommittee on International Political and Military Affairs, House International Relations Committee, and Mr. Nedzi agreed we should have no problem in closing this out in a satisfactory fashion directly and suggested we see both Chairman Dante Fascell (D., Fla.) and Representative Donald Riegle (D., Mich.)

I reminded the Chairman of the find made in the DDS&T and the various committees interest in this topic which may lead to a leak or public statement.

I reviewed the report that we had been getting that a former employee of the House Select Committee staff may be writing articles about the Agency but we assume not in violation of his secrecy obligation or the Committee resolution. Mr. Nedzi said he remembered Ed Roeder well.

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14. [Redacted] CONSTITUENT [Redacted] Angola Desk, Africa Division, called and said the material provided to Mr. John Allen, Legislative Assistant to Representative Robert L. F. Sikes (D., Fla.), by [Redacted] did not appear to be of great significance but they did feel it worth a DCD follow up. I told him I would get in touch with DCD and make arrangements [Redacted] said that in his absence for the next week or so [Redacted] would be handling this matter in the Division.

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15. [Redacted] TRAVEL Paul Nelson, Staff Director, House Banking and Currency Committee, called to say Chairman Henry Reuss, and Representative Andrew Young (D., Ga.), of the Rules Committee, would be travelling to Cuba the last week in August at the request of the Cuban government and Nelson, who will accompany them, would like some background information for this trip. He said he was particularly interested in statistical data on GNP over time plus balance of trade and balance of payments figures. I told him I was not sure we had anything that was unclassified but I would check and also look into the possibility of providing Nelson with a background briefing. He was most pleased with this possibility and I said I would be back in touch with him.

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16. [Redacted] ADMINISTRATIVE [Redacted] OTR, called and asked if I thought we could arrange to have a member of Congress address the Senior Seminar on the Hill on Tuesday, 18 November, sometime during the afternoon. Watson would like me to speak to the class about our relationships with the Congress either before or after the member's address. I mentioned Representative Jack Kemp as a good possibility and told him we would keep this in mind and pursue it when Congress returns.

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17. [Redacted] LIAISON Joe Carter, Administrative Assistant to Representative Theodore Risenhoover (D., Okla.), called to say one of their constituents in Oklahoma had read in the paper that CIA was giving up Air America and the constituent is interested in purchasing the airline. Carter commented they have a good airport in Muskogee and would be very interested in having Air America relocate there. He went on to say that the constituents in Muskogee were very much in favor of the Agency and supported it and said if there was anything they could do for us to please let them know. I thanked him for his support and told him I would look into the Air America situation and be back in touch with him. John McMahon, A/DDA, is looking into this.

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[Redacted]

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18. [Redacted] LIAISON Jim Cline, Counsel, Subcommittee on Immigration, Citizenship, & International Law, House Judiciary Committee, called regarding Interpol and newspaper stories regarding the Odessa files. He said their Subcommittee has reports that there are still a number of former Nazi's working for Interpol. He asked if we could look into this and provide any information we have on the subject. Mr.

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[Redacted] is looking into this.

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Cline also said there are about 1600 Vietnamese citizens seeking repatriation and said he would like to talk to someone about the problem. I told him [Redacted] recently returned from Vietnam and I would have him get in touch with Cline.

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19. [Redacted] Talked with Pat Holt, Staff Director, Senate Foreign Relations Committee, to ask him to notify the Chairman of the country involved in the 10 August 1975 Presidential Finding. I arranged for [Redacted] to see Holt at 0945 hours tomorrow to give him further details. 25X1

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20. [Redacted] Talked with Ralph Preston, House Appropriations Committee staff, and he agreed to notify Chairman Mahon of the country involved in the Presidential Finding of 10 August 1975.

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21. [Redacted] LIAISON Talked to David Vienna, on the staff of the Senate Government Operations Permanent Subcommittee on Investigations, and advised him of the following: [Redacted] was a 25X1 employee of CAT in Saigon, October to November 1966. He was hired as an administrative assistant to the manager of the Flying Division of CAT Saigon. He resigned to take a position elsewhere. [Redacted] he was a confidence man in Hong Kong. Vienna thanked me for the information and said he might have a few questions next week.

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[Redacted]

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